

**STATE INSURANCE & RISK MANAGEMENT BOARD**

**Minutes of Meeting No. 308**

**September 8, 2015**

**10:00 A.M.**

The Three Hundred Fourth meeting of the State Insurance and Risk Management Board was held on Tuesday, September 8, 2015 at the Board of Regents for Higher Education, 39 Woodland Street, Hartford, CT.

Acting Chairperson Savitsky presided.

The following members were in attendance:

State Insurance & Risk Management Board

Ms. Linda R. Savitsky, Acting Chairperson

Mr. Seth T. Mahler, Vice Chairperson

Mr. George A. Dagon, Jr.

Ms. Susan M. Donatelli

Mr. Stephen Fontana

Ms. Marjorie F.B. Lemmon

Mr. Michael T. McCormack

Ms. Martha Carlson, Deputy Comptroller

Mr. Robert J. Broomall was unable to attend.

Mr. Wallace J. Irish was unable to attend.

Mr. Patrick Mahon was unable to attend.

Mr. Daniel J. Friedman was unable to attend

Department of Administrative Services/Insurance and Risk Management Board

Ms. Daria J. Cirish, Risk Manager

Ms. Eileen G. McNeil was unable to attend

Office of the Agent of Record

Mr. John Byrnes, President

Mr. Fred Tanguay, Vice President

Ms. Doreen Lessard

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Ms. Savitsky advised Mr. Richard Boccaccio was appointed to the Board, but that the formal letter had not as yet been received. He attended today's meeting as an observer.

1. Approval of the Minutes of Meeting No. 307 held on June 9, 2015 (Exhibit 1)

A motion was made by Ms. Carlson, seconded by Mr. Fontana and unanimously

VOTED: To approve the minutes of Meeting No. 307 held on June 9, 2015 with three (3) abstentions by Ms. Lemmon, Mr. Mahler and Mr. McCormack.

2. Reconciliation of and Review of Premium Payments, Informal Bids Processed by the Board since the Last Approval (Exhibit 2)

Mr. Tanguay reviewed the Board's F.Y. 15/16 appropriations. He advised that the 15/16 appropriation included a 1.5% holdback by the Governor's Office. He advised that the sold/bound premiums are typically very close in line with the budgeted premiums and reminded the members that last fiscal year there were several unusually large Fleet claim settlements, resulting in a deficiency appropriation and that there may be several large fleet claims resolved this fiscal year that may impact the budget.

A motion was made by Ms. Carlson, seconded by Mr. Fontana and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting for F.Y. 2014 totaling \$2,365,440.48.

A motion was made by Mr. Fontana, seconded by Ms. Donatelli and unanimously

VOTED: To approve the premium, deductible payments and informal bids processed by the Board since the last Board meeting for F.Y. 2015 totaling \$962,490.30

3. Votes

A) UConn – Basic Athletic Injury (Confirming) (Exhibit 3A)

Mr. Tanguay advised that this coverage is basic health/accident insurance for intercollegiate athletes. Mr. Tanguay explained that the NCAA provides a catastrophic policy with a \$90,000 deductible. This coverage is basic coverage purchased to cover the \$90,000 deductible and is reimbursed by UConn. Mr. Tanguay explained that the premium is up due to UConn's loss experience as well as the overall loss experience for this coverage in the marketplace.

Mr. Tanguay stated that UConn requested the Board bind the \$2,000 Deductible Option.

A motion was made by Mr. Mahler, seconded by Mr. McCormack and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3A for a total premium of \$254,500.

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3. B) CT Transit Property Coverage on Rolling Stock (Exhibit 3B)

This policy provides physical damage coverage on the CT Transit buses while they are parked in CT Transit garages and parking lots. Mr. Tanguay advised that D.O.T. has replaced old buses with new ones and most of them are housed in the Hartford garage for the CTFastTrak program. The proposed rate remains the same and the total value of the buses increased.

After some discussion, a motion was made by Mr. Mahler, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 3B for a total premium of \$175,000.

3. C) Master Student Malpractice (Exhibit 3C)

Mr. Tanguay advised that this is a professional liability policy purchased to cover allied health students and professors while they are doing off-site practicum clinical work as part of their curriculum. This premium is reimbursed by the schools. Mr. Tanguay explained that this is a special program for this type of coverage and he stated that there has been good loss experience on this policy and this type of coverage overall.

A motion was made by Mahler, seconded by Mr. McCormack and unanimously

VOTED: To place coverage as outlined in Exhibit 3C for a total premium of \$99,304.

3. D) DOT – Metro-North – XS Rail Liability (Exhibit 3D)

Mr. Tanguay explained that this policy provides excess rail liability for CTDOT New Haven to NYC rail line and three branch lines and he advised that this is one of the largest and busiest commuter rail lines in the country (approximately 4 million a year in ridership). DOT owns the cars, tracks and stations and contracts out the management and operation to Metro-North/MTA. There have been numerous derailments and train accidents nationwide in the past several years and the rail line ridership is up 2%, therefore, the renewal premium has increased 2%.

After some discussion, it was moved by Mr. Fontana, seconded by Mr. McCormack and unanimously

VOTED: To place coverage as outlined in Exhibit 3D for a total premium of \$1,691,625.

3. E) State Library Museum – Fine Arts Coverage (Exhibit 3E)

Mr. Tanguay advised that this policy covers over \$200 million of fine arts and artifacts housed at the museum, library and warehouse and this coverage is in excess of the \$25 million limits provided by the F.M. Global property policy. This is an excess limits policy purchased through Lloyds of London. It is noted that the values were up, therefore, the premium increased, but the rate remained the same.

A motion was made by Mr. Mahler, seconded by Ms. Carlson and unanimously

VOTED: To place coverage as outlined in Exhibit 3E for a total premium of \$167,536.82.

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3. F) Equipment Breakdown Coverage (Exhibit 3F)

Mr. Tanguay explained that the policy covers against equipment breakdown in the State's 3,000 buildings and includes four infra-red surveys which have been done in the past for the State. He reviewed the \$100 million limits and various sublimits explaining that the proposal is as expiring, even though the Total Insured values went up.

A motion was made by Mr. Mahler, seconded by Mr. Fontana and unanimously

VOTED: To place coverage as outlined in Exhibit 3F for a total premium of \$268,342.

3. G) Master Property Policy (Exhibit 3G)

Mr. Tanguay stated that the policy covers against property loss in the 3,000 State buildings with total insured values of approximately \$14 billion. The highest concentration of values (\$750 million) is a two block radius around the State Capitol area. F.M. Global has a \$750 million per occurrence sublimit and a \$250,000 Deductible on the policy. Mr. Tanguay explained that F.M. Global is a mutual company and that the State is one of the owners which entitle the State to receive a Membership Credit. This credit is not always available. It is based on the overall loss experience for F.M. Global.

Mr. Tanguay also reviewed the other policies that are purchased in addition to the F.M. Global policy. These policies include a Builders' Risk and Water Infiltration endorsement for UConn Health Center, as well as a policy for additional windstorm limits. He noted that the Builder's Risk Water Infiltration coverage is for if driving rain does damage to the building during construction and that this coverage will be cancelled when the new UCHC Hospital Tower is totally enclosed.

Mr. Tanguay explained that excess wind limits were purchased on top of F.M. Global's \$250 million wind sublimit. The premium for this coverage is \$600,000.

Mr. Tanguay stated that F.M. Global does a tremendous job working on the claims process and engineering and risk management support.

After some discussion, it was moved by Mr. McCormack, seconded by Mr. Dagon and unanimously

VOTED: To place coverage as outlined in Exhibit 3G. Property Policy renewed for an annual premium of \$4,757,499; premium for Excess Named Storm Limits \$600,000; premium for BioScience CT Builders Risk Installment \$187,300; premium for BioScience CT Builders Risk Water Infiltration \$50,000.

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3. I. Board of Regents for Higher Ed. – Community Colleges – Accident - Confirming

Mr. Tanguay informed the Board that a new Comptroller was hired at the Board of Regents for Higher Education and approached Ms. Cirish last year to obtain quotes on an accident policy covering the students within the Board of Regents system. This is purely accident insurance covering students at school sanctioned events and provides limits over and above any other collective insurance. Mr. Tanguay advised that the Board worked with the Board of Regents to verify the appropriate student count.

Coverage was bound at the direction of the Board of Regents, for Higher Education.

A motion was made by Mr. Mahler, seconded by Mr. Fontana and unanimously

VOTED: To confirm coverage be placed as outlined in Exhibit 3I for a total premium of \$65,526.40.

5. Any Other Matters to Properly Come Before the Board

There were none.

6. Date and Location of Next Meeting

The next Board meeting is scheduled for Tuesday, December 8, 2015. The meeting will be held at the Board of Regents for Higher Education.

7. Motion to Adjourn

It was moved by Mr. McCormack, seconded by Mr. Fontana and unanimously

VOTED: The meeting be adjourned. The meeting adjourned at 11:18 A.M.

Approved at Board Meeting 12.08.2015  
Linda Savitsky  
Acting Board Chair  
03.18.2016